

**Department of Transportation
National Highway Traffic Safety Administration**

SUPPORTING STATEMENT

**CONSUMER ASSISTANCE TO RECYCLE AND SAVE PROGRAM
DEALER INFORMATION**

OMB CONTROL NUMBER: 2127-XXXX

JUSTIFICATION

1. Circumstances that make collection of information necessary. *Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.*

On June 24, 2009, the President signed into law the Consumer Assistance to Recycle and Save (CARS) Act of 2009 establishing within the National Highway Traffic Safety Administration (NHTSA) a program to be known as the Consumer Assistance to Recycle and Save (CARS) Program. The CARS Act authorizes NHTSA to issue an electronic voucher, subject to statutorily specified criteria, to offset the purchase price or lease price of a qualifying new fuel efficient vehicle upon the surrender of an eligible trade-in vehicle to a registered vehicle dealer. The surrendered trade-in is precluded from further use as a vehicle in the United States or in any other country.

The Act requires the Secretary of Transportation (through NHTSA) to promulgate final regulations to implement the Program not later than 30 days after the enactment date.

In advance of the final regulations, NHTSA is taking measures to lay the groundwork for the CARS Program to ensure that there is a comprehensive list of eligible new fuel efficient vehicles, that only eligible dealers of new motor vehicles participate in the CARS Program, and that NHTSA provides information necessary to determine if a used vehicle is eligible as a trade-in.

The request to collect information sent forth today is necessary to uniquely identify and register participating new vehicle dealers and their uniquely identified authorized Program representatives. Pursuant to the Program requirements NHTSA will electronically transfer Treasury funds into the accounts of registered dealers on behalf of eligible consumers. As such, NHTSA must collect sufficient information from all parties involved to ensure the Program objectives are realized while minimizing the fraud risk. Each transaction shall involve two vehicles (one eligible used vehicle to be turned in, and one new vehicle to be purchased), one or more consumers, one registered dealer, an individual authorized by the dealer to submit a voucher application package, and one or

more entities involved with the proper disposal of the trade-in. Each required transaction element shall be supported with documentation or electronic verification.

2. How, by whom, and for what purpose is the information used. **Indicate how, by whom, and for what purpose the information is to be used.**

The information collected will be used by NHTSA and the Department, its agents, and other government enforcement personnel to accomplish the statutory requirements of the CARS Act of 2009 and regulations implemented pursuant to the Act. In accordance with the Act, the Department will (via a website: www.cars.gov) publicly identify eligible vehicles and participating dealers. Consumers wishing to participate in the Program will access this information. Aggregate information will be reported to Congress.

The information collected will be used to identify eligible dealers and provide them with an opportunity to voluntarily register to participate in the Program.

3. Extent of automated information collection. **Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.**

The use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology is fundamental to the proposed collection of information. NHTSA and the Department have sought and will continue to seek automated means to reduce the collection burden, reduce errors, and increase efficiency.

4. Efforts to identify duplication. **Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purpose(s) described in 2 above.**

Where applicable and to the degree possible the Department is utilizing existing collections of data. However, neither NHTSA nor the Department has a list of new vehicle dealers that may be eligible to participate in the Program; this information is available only in the private sector. Moreover, significant data elements must be reported directly by the participating dealer to ensure system security, prevent fraud and establish vendor accounts.

5. Efforts to minimize the burden on small businesses. **If the collection of information has a significant impact on a substantial number of small businesses or other small entities (item 5 of OMB Form 83-1), describe the methods used to minimize burden.**

Many of the new vehicle dealers that will be participating in the Program would be considered small businesses. Consistent with our responsibility to ensure system security and prevent fraud, NHTSA is taking pains to ensure only the minimum amount of information necessary to establish the Program will be collected from small businesses.

The use of electronic forms of information technology plays a key role in minimizing the collection of information burden on small dealers.

6. Impact of less frequent collection of information. ***Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.***

This information will be collected once. The Act mandates NHTSA to register eligible dealers who choose to participate in the Program and to provide a comprehensive list of eligible new fuel efficient vehicles. Dealer registration cannot be accomplished without this information collection.

7. Special circumstances. ***Explain any special circumstances that require the collection to be conducted in a manner inconsistent with 5 CFR 1320.5(d)(2)(i)-(viii):***

NHTSA and the Department do not seek approval to collect information in a manner inconsistent with 5 CFR Sections 1320.5(d)(2)(i) – (viii).

8. Compliance with 5 CFR 1320.8. ***Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and the recordkeeping disclosure, or reporting format (if any) and on the data elements to be recorded, disclosed, or reported.***

NHTSA and the Department have met with industry stakeholders and other government officials to obtain their views concerning the availability of data from industry sources and to identify data elements and formats.

9. Payments or gifts to respondents. ***Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.***

The purpose of the Program is to provide consumers with financial assistance to recycle their used vehicles by issuing payments to dealers to offset the purchase or lease price of a new fuel efficient vehicle. It is believed that many dealers will wish to participate in the Program to obtain a financial benefit. In order to participate in the program, a dealer must provide NHTSA with the requested information.

10. Assurance of confidentiality: ***Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.***

We will be collecting the names of participating dealers and of vehicles eligible to participate in the CARS Program. None of this information is of a confidential nature.

11. Justification for collection of sensitive information. ***Provide additional justification for any questions of a sensitive nature such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the***

specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

In the collection of information at issue, no information of a sensitive nature will be collected.

12. Estimate of burden hours for information requested. *Provide estimates of the hour burden for the collection of information. The statements should: Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories*

It is important to note that all the information described below will be collected once, so that the CARS Program may be established.

Number of Respondents:

NHTSA will begin by collecting information about dealers that may be eligible for participation in the Program. It will do so by contacting approximately 26 original vehicle manufactures or other entities. Contacts will be made directly by NHTSA personnel, through use of contractors, or through trade associations or other parties.

Information from Dealers - NHTSA estimates that there will be total of 19,000 dealers that will respond to the collection of information and that there will be two persons (on average) at each dealership authorized to participate in the CARS Program, for a total number of 38,000 dealer authorized employees

Estimated Burden on Respondents:

Vehicle Manufacturers - For each original vehicle manufacturer, NHTSA believes the contacted vehicle manufacturers will spend four hours (through use of electronic methods) creating the dealers lists and eight hours to create the list of eligible vehicles.

Dealers - NHTSA estimates that it will take each dealership 20 minutes to create a primary user's profile, to finalize account setup and review certifications, and 15 minutes to establish secondary authorized user account and review certifications.

Estimated Total Burden:

Vehicle Manufacturers - This will be a total of twelve hours per manufacturer. Twelve multiplied by 26 original vehicle manufacturers results in a total of 312 burden hours.

Dealers - The estimated total annual burden to create the primary user's profile, finalize account setup and review certifications is 19,000 dealers at 20 minutes per dealer for a total of 380,000 minutes or 6333 hours (380,000 divided by 60).

For establishing secondary authorized user accounts and reviewing certifications, the estimate is 19,000 individuals working at dealerships at 15 minutes per individual for a total of 285,000 minutes or 4750 hours (285,000 divided by 60).

Total Burden - 6333 hours plus 4750 hours results in a total of 11,083 hours (for dealers). 11,083 hours plus 312 burden hours (for manufacturers) results in a total of 11,395 burden hours associated with this collection of information.

13. Estimate of total annual costs to respondents. ***Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.***

In its estimates, NHTSA assumes that the vehicle manufacturers and dealers already own the computer hardware and software necessary to fulfill this collection of information. None of the information to be collected involves statistics or complex analytical techniques or other methods that would involve sophisticated software.

Manufacturers' Costs – NHTSA estimates that it would cost each manufacturer an average of \$75 an hour to collect the information. This would result in an average cost of \$900 per manufacturer (\$75 times 12 hours) and a total cost on all manufacturers of \$23,400 (26 manufacturer times \$900).

Dealers' Costs - NHTSA assumes median hourly earnings of first-line supervisors/managers of retail sales workers in automobile dealers of \$34.98 (May 2006 \$32.98 adjusted for inflation to \$34.98). This data is from the U.S. Bureau of Labor Statistics. 11,083 burden hours times \$34.98 per hour equals \$387,683.

Total Costs - \$23,400 plus \$387,683 results in total costs of \$411,083 on all respondents.

14. Estimate of cost to the Federal government. ***Provide estimates of annualized cost to the Federal Government.***

The estimate of the cost to the Federal government is based on creation of a data base to: 1) register dealers; 2) process transactions; and 3) interface to an existing government payment system. This effort will take place once, within a period of three months. Therefore these estimates are based on three months of effort.

To create and administer this data base, NHTSA estimates that it will take a total of 10 employees (either Federal employees or contractor employees) who will, on average, be paid \$86,927, a salary equivalent to a GS 13, Step 1. This will be \$869,270 for 10 personnel, divided by 4 (because the cost will only be incurred during a three month period, ¼ of the year), for a total of \$217,317.

NHTSA estimates that the computer costs (hardware and software) to create this data base is \$950,000. This is a one time cost.

The total costs to the Federal government will be \$1217,317 (personnel) plus \$950,000 (computer costs) for a total of \$1,167,317.

15. Explanation of program changes or adjustments. *Explain the reasons for any program changes or adjustments reported in Items 13 of 14 of the OMB Form 83-I.*

This collection of information is associated with a newly established Program.

16. Publication of results of data collection. *For collections of information whose results are planned to be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.*

This collection of information will result in a list of eligible dealers that will participate in the CARS program and a list of eligible new fuel efficient vehicles. These lists, when completed will be published at www.cars.gov. Since this information is also collected for consumers who wish to participate in the Program, there are no plans for tabulation of the lists or any “complex analytical techniques” to be used. NHTSA would like to collect these lists as soon as possible, and to make the list publicly available for the duration of the Program.

It is possible that for the duration of the Program, dealers may be added or removed, depending on their business circumstances.

17. Approval for not displaying the expiration date of OMB approval. *If seeking approval to not display the expiration date for OMB approval of the information collections, explain the reasons that display would be inappropriate.*

NHTSA does not seek approval to not display the expiration date for OMB approval for the collection of information.

18. Exceptions to certification statement. *Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.*

There are no exceptions to the certification statement.

ATTACHMENTS

1. NHTSA Form 1070 - “New Car Request for Dealer Registration”

